

will, and in that case, referring to this declaration of Chief Justice Marshall, Mr. Justice Baldwin said:

The Revolution devolved on the State all the transcendent power of Parliament, and the prerogative of the Crown, and gave their acts the same force and effect.

Mr. President, when the colonists won the Revolution each State took over all the sovereignty which had been exercised by the English Parliament. Parliament had sovereignty. Parliament could do what the Senator from Missouri [Mr. Hawes] wants to do. When the Revolutionary War ended, however, those powers which had resided in Parliament and in the Crown did not go to the United States collectively. Those powers went to each State; and the people of the State won the powers which formerly had been held by the Crown and Parliament of England.

In our country sovereignty has always been in the people. That is where sovereignty lies. It is in the people. Congress has no more power than the people have delegated to us to exercise. We have never had delegated to us sovereignty and the exercise of sovereignty which would warrant us in alienating our authority over the Philippines. Therefore, I say, Mr. President, that it naturally follows that the only way we can lawfully, legally, constitutionally alienate sovereignty is by the consent which might be given by the people through a constitutional amendment.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Would the Senator yield to permit me to move a recess?

Mr. COPELAND. I yield the floor to the Senator now.

Mr. VANDENBERG. Very well, then; in my own right I would like to give notice that I shall claim the floor on Monday to discuss my substitute to the bill which is now pending.

I now move that the Senate take a recess until Monday at 12 o'clock.

RECESS

The motion was agreed to; and the Senate (at 4 o'clock and 45 minutes p. m.) took a recess until Monday, December 12, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Just now, our Heavenly Father, we would thank Thee for the divine footsteps which give us trust and patience. Truly they are ministers of mercy on our pathway which leads to Thee. In some little way unfold to us the same power that makes the rose sweet, the dewdrop pure, and the rainbow beautiful. Never were opportunities so many nor rewards so great. Keep us faithful, O Lord, to the dictates of justice and truth, that we may serve our country and redeem it from drudgery and want, and help the world along. We thank Thee for the gift of life. Do Thou help us each day to make it a magnificent privilege. Bless us with maintenance of courage and strengthen in us the sense of victory. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1778. An act for the relief of John S. Shaw; and
H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

The message also announced that the Vice President had appointed Mr. MOSES, Mr. HALE, and Mr. ROBINSON of Arkansas, as the members on the part of the Senate of the Joint Committee on Inaugural Arrangements provided by Senate Concurrent Resolution 26.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4910. An act for the relief of Gust J. Schweitzer.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 2839. An act for the relief of the heirs of C. K. Bowen, deceased;

S. 4553. An act for the relief of Elizabeth Millicent Trammell;

S. 4767. An act for the relief of Mucia Alger;

S. J. Res. 195. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; and

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co.

FARMERS' PETITION

Mr. HOWARD. Mr. Speaker, in Washington at this moment are 250 delegates representing more than 1,000,000 mortgaged farmers in America. They have prepared a petition to the Congress. I ask unanimous consent that their petition may be read to the House by the Clerk.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, I do not know why any minority groups or majority groups should have special privileges from this body. We start these things and we do not know where they will stop, and I would prophesy that if we establish this precedent, we will have petition after petition read from the desk. Mr. Speaker, I object.

Mr. LA GUARDIA. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may proceed to address the House for five minutes.

Mr. UNDERHILL. Well, Mr. Speaker, reserving the right to object, that is just a subterfuge to get over my previous objection. It is not any feeling that I have against the legislation proposed or those proposing it; it is to protect the Congress and to protect the taxpayers of the United States. If the gentleman from New York [Mr. LA GUARDIA] wants to take the responsibility—he is always looking after the poor man—it is up to him, but I am going to object.

Mr. LA GUARDIA. God knows they need somebody to look after them.

Mr. UNDERHILL. Well, the gentleman from New York does not do it.

Mr. LA GUARDIA. I press my request, Mr. Speaker.

Mr. UNDERHILL. I object, Mr. Speaker.

PRESIDENT'S MESSAGE

Mr. RAINEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message.

Mr. SNELL. Will the gentleman yield for a question?

Mr. RAINEY. I yield.

Mr. SNELL. Does the gentleman know what the program will be for to-morrow? Has he made arrangements yet?

Mr. RAINEY. The Appropriations Committee hopes to have ready the Treasury and Post Office Departments appropriation bill to-morrow and we will go ahead with that. It

may be possible to take up some District of Columbia business. I am going to take that up with the lady from New Jersey [Mrs. NORTON] now, and will make an announcement concerning it later in the afternoon.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. LaGUARDIA. May I ask the gentleman, in the course of the next few days, when the Appropriations Committee is reporting in accordance with the rules, if there will be any attempt made to report such bills by surprise, if I may say so, so that Members may not reserve all points of order? Will the Members be protected to that extent?

Mr. BLANTON. They have always been protected.

Mr. LaGUARDIA. Oh, once or twice we have been caught. Mr. BLANTON. I do not remember any such instance since I have been here when all points of order were not reserved.

Mr. LaGUARDIA. Oh, yes; we have been caught once or twice.

Mr. BLANTON. Some one always is here to reserve points of order if the chairman does not.

LEAVE OF ABSENCE

Mr. JOHNSON of Texas. Mr. Speaker, the gentleman from Illinois has allowed me to interrupt before his motion is put, in order that I may make a unanimous-consent request.

The SPEAKER. Does the gentleman from Illinois withhold his motion for that purpose?

Mr. RAINEY. I withhold the motion to allow the gentleman from Texas to make his request.

Mr. JOHNSON of Texas. Mr. Speaker, my colleague from Texas [Mr. SANDERS] has been absent four days this week on account of the death of his wife, and I ask unanimous consent that his absence be excused by reason of that fact.

The SPEAKER. Without objection it is so ordered.

There was no objection.

PRESIDENT'S MESSAGE

The SPEAKER. The question is on agreeing to the motion by the gentleman from Illinois.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message, with Mr. HANCOCK of North Carolina in the chair.

Mr. GREENWOOD. Mr. Chairman, I yield to my colleague from Nebraska [Mr. HOWARD] such time as he may desire.

The CHAIRMAN. The gentleman from Nebraska is recognized.

Mr. HOWARD. Mr. Chairman, I regret very much that my friend the gentleman from Massachusetts [Mr. UNDERHILL] saw fit to object to the reading of the petition of these mortgaged farmers, who came to the House to present their petition to the American Congress in behalf of action to lift them out of the ditch of depression into which they have been thrust by unhallowed hands. I very much regret that the resolution might not have been read by the Clerk in order that it might have appeared in the RECORD.

The gentleman well knows that, under the rules of the House, if we drop a petition into the basket it is not reproduced in the RECORD.

The right of petition, it seems to me, is a very sacred right, and those of us who are acquainted with the situation here well know that when a petition is simply presented and dropped into the basket, and is not published in the RECORD, very few of the Members ever have an opportunity to read it or to understand its contents, even by interpretation from another. That was my thought in asking that the resolution might be read in order that all Members of the House, and of the Congress as a whole, might be informed with reference to the desire of these delegates from the mortgaged farms of America, and I earnestly hope that I may not be regarded as violating the rules, even inferentially,

if, before I shall have concluded my remarks, I shall read this resolution to the House, or ask the Clerk to do so.

Mr. BLANTON. Will the gentleman yield?

Mr. HOWARD. I yield.

Mr. BLANTON. The gentleman has the privilege now of reading that petition in his own time.

Mr. HOWARD. Oh, yes.

Mr. BLANTON. And the gentleman is a good reader.

Mr. HOWARD. Yes, I know; but I am asking that none will think harshly of me for doing it, and I can think of no better time than right now to call to the attention of the House the petition which these farmers have prepared for presentation to us.

Perhaps it will be noticed in the reading of the petition that it has not been drawn in manner as an attorney would draw it. It was drawn by bona fide, sure-enough farmers, not representatives of the farmers, but by the farmers themselves. If the petition does not conform strictly with our own interpretation of our rules here, it would seem to me only fair that we overlook the fact because of the paucity of knowledge of our petitioners regarding our rules and regulations in the Congress.

The petition reads as follows:

FARMERS NATIONAL RELIEF CONFERENCE, WASHINGTON, D. C., DECEMBER 7-10, 1932—STATEMENT TO CONGRESS

We, farmers 250 strong, represent the struggling majority of the farm population in 26 States. For the first time in history we come ourselves, face to face with Congress, without high-salaried "farm leaders or lobbyists" standing between to belaud and divert our purpose. And our purpose is to demand immediate action. We are determined to stop a ruthless pressure from creditors who threaten to sweep us from our land and homes.

For the last three years a world economic crisis has sharpened the effect of 10 years of postwar farm depression. Our last reserves have been taken from us. We are not responsible for the universal breakdown that forced 70,000,000 Americans into economic distress, uncertainty, and want in the richest country in the world.

We know that the relief funds are largely squeezed from the worried balance of the population, who are themselves slipping toward the brink of joblessness. We know that fantastic costs of local, State, and Federal Governments are also squeezed from them by sales taxes, while the big incomes and corporations escape. We know that actual starvation is more and more frequently admitted in spite of bulging banks and storehouses of food. We have seen food destroyed, and everywhere our crops rot on the ground in a marketless country because hungry millions have lost their purchasing power.

In the face of this social calamity "farm leaders" and politicians dare to talk of "surplus," dare to base legislation on a theory of reduction of acreage that will fit the present starvation markets. Finally, this bankrupt leadership dares to advocate the abandonment of our scientific and technical advances in farming and recommends that we return to a primitive, self-sufficing form of peasant farming.

We demand:

I. Federal cash relief—

- A. To raise all rural families to a minimum health and decent standard of living a minimum fund of \$500,000,000 must immediately be appropriated for the relief of that section of the distressed farm population in need of immediate relief, regardless of race, creed, or color.

II. Federal relief in kind—

- A. Food products and supplies needed for relief of city unemployed should be purchased by the Federal Government directly from the farmers at a price which will insure the cost of production plus a decent standard of living.
- B. The processing and transportation of these food products and other relief supplies shall be regulated by the Federal Government so as to prevent profits to the food monopolies and transportation companies during the period of the economic crisis.

III. Administration of relief for farmers—

- A. Federal cash relief and relief in kind to be administered by local committees of farmers in each township, precinct, or other local unit selected by a mass meeting of all farmers needing relief.

IV. Government price fixing—

- A. A price-regulating body controlled by actual consumers and producers must be immediately elected whose function shall be to reduce prices to consumers and raise prices for all farm products sold. This adjustment to be made by deduction from the swollen profits of the profiteers who stand between field and family.

V. The defeat of any legislation based on the theory of "surplus" production—

While millions of our population are undernourished through loss of purchasing power, the acceptance of the surplus theory is a crime against farmers and workers.

VI. Credit—

A. The enactment of legislation which will provide production credit for all farm families so as to insure a basis for national consumption at normal levels. This credit is to be administered as in Section III (above).

B. The defeat of all proposals and the repeal of all legislation now in force which provides credit only for well-to-do farmers and corporations with collateral.

VII. Debt holiday—

A. A moratorium on mortgages, interest, and rents for all farmers whose volume of production has until recently sustained the farm family at a decent standard of living.

B. Cancellation of mortgages, interest, feed and seed loans and debts for supplies and furnishing for farmers whose volume of production and economic unit has always been too small to carry the debt load and support the family at a minimum health standard (marginal farmers, share croppers, and others).

C. Cancellation of back farm taxes and moratorium on future farm taxes during the crisis.

VIII. No evictions—

During this national crisis Congress must declare all foreclosures, seizures of property, and evictions illegal.

We farmers have no collateral, but we represent the majority of the farm population. We have at last been forced to organize and present to this Congress our final demands. If our duly elected national Representatives and Senators fail, as did the local, county, and State authorities, then we pledge ourselves to protect our fellow farmers from suffering and their families from social disintegration by our united action.

Adopted by the Farmers National Relief Conference in session at Washington, D. C., December 8, 1932.

Certified as correct copy.

LEM HARRIS,
Executive Secretary.

Mr. Chairman, at the present time I do not desire to interfere with the program of the House for the day by discussing further the petition presented to us by the representatives of the mortgaged farmers of America.

Some of you may ask me upon what basis this delegation comes to us. I do not understand clearly, but my understanding, such as I have, is that practically every one of the 250 delegates here present represents at least 25 mortgaged farmers in the community which sent him here.

I trust the Members of the House may kindly receive the petition our friends have presented. I know it is not couched in the language of the legal profession, but in the plain language of the plain-speaking farm people, and I particularly ask that no Member on the floor shall be in any wise prejudiced against the petition because of the fact it may contain here and there a request or a demand that is not compatible with our general understanding of the situation. On the whole, I commend the petition to my colleagues, to their very earnest consideration.

I have heard practically every man on this floor say there can be no such thing as permanent prosperity in this land of ours until the farm producing men and women of our country shall be guaranteed in some way or be privileged in some way to receive the cost of production on their farms, with a reasonable profit added thereto, to enable them to enjoy that high standard of living which we all desire them to enjoy. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. PARKS].

Mr. PARKS. Mr. Chairman, I am not an alarmist, not a calamity howler, but I can recognize a calamity that is as vast as the one that has fallen upon us when I see it.

There is but one subject uppermost in the minds of the American people to-day, and that is our economic situation. Every man, every woman, and every child in the United States to-day have their eyes turned toward this Capitol with a prayer on their lips.

Nearly four years ago the present occupant of the White House called this Congress into extra session for two purposes. He pledged to the country two things: A revision of the farm tariffs and farm relief. The tariff revision he gave to us on agriculture was the Grundy bill, and, although men on both sides of this Capitol had said that 60 days from the passage of the bill we would have prosperity, we find after three years the effect of it has been to slay agriculture, to stifle commerce, and to strangle industry.

The relief to agriculture was the Farm Board, and the Farm Board then, it seemed, went about the land seeking something the tariff had not killed, and wherever it found some helpless industry, somebody who was in need, by some hook or crook it placed the final touch on them and left a mangled corpse wherever they found them.

Then came the campaign, the election, and instead of getting relief we have gone from bad to worse. From the Atlantic to the Pacific the two candidates for President traveled and pled their cause before the greatest jury on earth, the American people. It was almost a unanimous verdict against the party in power.

Then Congress met, with people by the millions suffering and in distress. Every man in this House is receiving hundreds and hundreds of letters pleading for a job with the Federal Government. Congress met after a ray of light had come in the election of Mr. Roosevelt. The people expected something and, lo and behold, the first hour of the first day we were offered liquor.

Then in the offing we have one more thing to give to the starving people of the United States, and that is beer—nonintoxicating. Well, you have nonintoxicating beer now; what is it you want? However, that is not all. Let us pass on.

Recently the Great Engineer sent to this Congress a message to relieve suffering in the United States. How? By adding others to the already starving millions by a cut in salary. There is not a 10-year-old boy in the United States but who could tell you that you could make a 50 per cent cut in appropriations and save expenses, but I challenge the world to show me where you have ever taken the bread from the mouths of toiling people and brought prosperity. Yes, we were bludgeoned at the last session of Congress into making a cut in salaries because you tied onto it the salary of the Congressmen of the United States who were willing, at the rate they were being paid, to have something taken away. You said this would bring prosperity and would balance the Budget. I never got so tired of hearing anything in my life as balancing the Budget. Mr. Mills came down here three or four times and said, "Now, do this and you will balance the Budget and then everything will go up in value and we will have peace, prosperity, and happiness." A day or two later he came back and said, "I missed that by an enormous amount, but I have it all figured out now. I have had my expert go over it again." We did what he said would balance the Budget and he came back the third time and said he had made a mistake and the Budget was not balanced, and the fourth time he came back and said that if we would do certain things the Budget would be balanced and we went home thinking the Budget was balanced. Now, we come back after election and they tell us it is \$1,000,000,000 out of balance.

What would be the effect of cutting the salaries of the people who are gathered here, as well as elsewhere, in the United States, working for the Federal Government? What would be the effect to the men and women in this city who are trying to pay for homes out of a small salary? One after another they have made the announcement that if this proposal goes through they can not meet their payments.

You have turned the farms back to the mortgage holders. You have driven the farmers out of their homes, and now you are going to strike the last crumb from the mouths of these people. I challenge you to bring in a salary cut, not tied with the salaries of Congress, but affecting the other workers of the Government, and we will defeat it.

Is this the way we are going to bring back prosperity? By adding to human misery? From every State in the Union comes a wail that sounds louder than the roar of the sea from the destitute people of this land. What have you got left after these three years? The only things you have left in the land are the United States Government and Wall Street.

Let me make a suggestion. Listen to this statement, if you please. Cut the salaries? I heard the head of a bureau not three days ago testify that he could cut expenses, without cutting salaries, one million and a half dollars out of one appropriation bill, if we would let him do what? He said, "I can reduce this appropriation to-day \$1,500,000." They asked him, "How will you do it?" "I will do it by discarding some old machinery that we have and I will supplant it with modern machinery. We have trucks to-day that take four and a half gallons of gasoline to run a mile, and I can get trucks that will run a great many more miles with less gasoline; and if you will change the law, as I suggest, I will guarantee a saving of \$1,500,000 in this item alone to the Government."

I know of one arm of one branch of the Government that has 10,000 horses that they are maintaining and feeding at great expense. For every 12 horses they have one caretaker at \$75 a month. I asked them, "What is the age of these horses?" and I was told that the average age is 18 years. I said, "Why in the name of Heaven do you not kill them or give them away?" He said, "The law will not let me kill them and I can not find anybody who would take them if we were permitted to give them away."

Why not do something along this line? If we had a scientific handling of the departments here, we could balance the Budget and not touch the salary of a single man or woman in the United States. It is waste in Government, not by employees, but just such antiquated things as I have related to you that adds to the expense of government.

You may ask me what to do about it. I will tell you what to do about it. You may say, "You have not the power to do it." I have not, but let me tell you something. Out yonder on the highway entering the city of London, for centuries there has stood a signboard, a board that has correctly pointed the way to untold millions to the city of London, and yet that old signboard still stands after having performed a valuable function, but it has gone nowhere itself. There is no way you can relieve the situation until you cheapen the dollar, and that is the only way you can do it. You can not pay debts contracted five years ago with a dollar that does not benefit anybody on earth except the gang on Wall Street. How would you do it? There are many ways you could do it. If it were left to me, the first thing would be to revalue gold. I would go to the statute where you wrote in the value of gold and make that dollar so cheap that a man's commodities would be worth something. I would make it so he could pay his debts that he contracted when money was cheap. For instance, a man made a contract to buy a farm for \$1,000. At that time he could get \$50 a bale for his cotton. He could have paid that debt with 20 bales of cotton. To-day he can not pay the debt with 50 bales of cotton. It is inevitable that he must lose his property if this condition continues, and you can not cure it by legislation such as we have had in the past.

You may say that this means bimetallism. Well, why not? No prosperity ever hung about any land with a high dollar. Read the pages of history and you can not find where any people prospered when the dollar was high. You will find that when commodities were high and the dollar was low they were the most prosperous people that ever lived.

The only way is to put the money in the hands of the people. I would issue 5, 10, and 20 dollar silver certificates and buy every ounce of silver produced in the United States. [Applause.]

I never voted to cancel the debt of any nation that owed us anything. Europe says they received from us goods, not money, but they can not pay in goods now, as it would require four times more, but we could say to Europe, "Give

us silver in payment and we will coin it so that you can settle your large indebtedness inside of 10 years."

Why not do what India did when she went off the gold standard. She took all the silver plate and spoons and everything of that kind and molded it into a mass. Announce to our debtors, "We will take all the silver you have and coin it."

Gentlemen, we have got it to do. Read the statement in last month's *Cosmopolitan*, in which Mr. Roosevelt describes our new leadership. I do not know whether he can do it or not, but I believe at last we have a man in the White House who is going to relieve the poor and the suffering, and that will cover about the entire United States.

How in the world it will be possible to go away from here and leave the people in despair, misery, and suffering I am unable to say.

I turn my attention now to the Committee on Banking and Currency, of which my distinguished friend on my right [Mr. STEVENSON] is a member. Ask it to bring in a bill to revise the monetary system and give the poor man one more chance before he dies. Gentlemen, if every man in the House who believes that we ought to cheapen money would line up, stand firm, we can give Wall Street the greatest fight it has had since 1873, when they struck down silver.

A man said to me the other day that Wall Street is trembling because they are afraid that Congress is going to remonetize silver. They tell us that there was a mandate that came from the people on November 8. There was a mandate, but it was for bread for the poor people and not for the brewers of the land. [Applause.]

We must not let our fellow men perish; they are expecting us to save them.

If we stand together upon the question of currency, we will show Wall Street the greatest fight this Congress has made in half a century. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, on December 4, 1930, I made in this chamber my first plea for those who are in distress for want of food and clothing. My effort was toward getting the Federal Government to recognize its responsibility to those who are in need.

I had become convinced that we were confronted by a depression such as this country had not known before—that it would be a long depression, and of unprecedented severity. I felt that it was a proper subject for national attention, that only the power and strength of the Federal Government could suffice to deal with it. During the past two years I have given much of my energy, if not most of it, to the task of awakening the Nation and our Government to its duty. It has been a difficult task, a discouraging task. It has been labor against the currents of public opinion and against the views of those who are in authority in both the political and the economic world. The few Members of Congress who have labored in that cause have been confronted by every prejudice and by every specious argument. The gains which they have been able to make have been small, although, looking upon the present situation as compared with that two years ago, it is obvious that some headway has been made.

We were confronted at the outset with prejudice against the "dole." Those in authority were fearful of any assumption of responsibility. They insisted that the relief of distress was a matter for private charity with which governmental units had no proper concern. They stood like a wall of adamant against any and all proposals for relief which might extend beyond a certain limited work program. In that situation we went on for a year.

Some 12 months ago some progress became apparent. It finally began to leak into the minds of those in positions of influence that this was, indeed, an unprecedented depression, and that there were instances in which private charity was inadequate. And then they made what was for them a remarkable concession of admitting that the relief of distress was properly a matter for local civic au-

thority—for cities and counties—and they conceded that in an extreme case even the States might take notice of starvation. Time went on and developments occurred until at the close of the last session of Congress a relief measure was finally exacted from the economic and political leaders which made the concession that States might concern themselves with the relief of distress, even if the Federal Government could not properly do so. The proposal as adopted made available to the States certain Federal funds which the States might obtain upon their own credit and at their own expense to give relief and relief work. That is the law as it now stands.

Mr. Chairman, I have no desire to criticize the administration. "Brave spirits war not with the dead." After all, I realize that our Government is merely the creature of public sentiment, meaning thereby the sentiment of the influential classes, and that any indictment drawn against political authority should also include the financial and economic leaders of the country. If there be a fault, and there has been a most grievous fault upon the part of the leadership of America during the past three years, that most grievous and costly fault has been the lack of vision. It is a fundamental fault, and has been in their inability, their unwillingness to look the facts in the face, and to recognize the truth as it was presented.

Always they have shut their eyes; always they have stuck their heads in the sand; always they have regarded existing conditions as merely a temporary phase. Always they have sought to hold on to previous conditions, to the previous way of doing business, to the previous method of organization of our economic life, and to previous standards of profits and of living. They were both unable and unwilling to recognize that we are confronted by an epochal situation, that "the good old days of 1926 and 1927" have passed away forever, and that perhaps never again in this country will we experience that which we chose to call in that time a period of "prosperity."

They were unwilling to recognize that we must go back to earlier ideals and to earlier standards. And in their unwillingness they temporized with existing conditions, they shut their eyes to them, they would not face the facts or recognize the truth. They were unwilling to do the things which were essential to recovery. And as the result, in such measures as they have taken they have not only failed to aid in bringing us out but they have contributed to our difficulties—what they have done has had effect to retard recovery and to perpetuate the suffering to which our people are being subjected. It would seem to me that there are certain conclusions which are plain and obvious. They may be stated in the briefest way by saying that our way out of this situation lies not through temporizing, not through aid by governmental favor or subsidies or appropriations to classes or groups of any kind whatsoever, not by moratoriums or the making of loans, but by something of a much more fundamental nature. In short, the trouble with our economic situation is due to maladjustment.

The fundamental cause of existing conditions is maladjustment, and there is and can be but one remedy. There may be palliatives, there may be "shots" that may be given, but there is only one remedy for maladjustment and that is readjustment. What boots it that you lend a man money if you require him to repay it with interest at a future time when he will be less able to pay it than when he borrowed it? What boots it to aid an industry which is not self-sustaining and can not be self-sustaining with its present management and its present methods? What boots it to postpone until next year a debt which the debtor can not hope to pay next year?

A man came into my office who had been a man of large fortune. He owed perhaps 50 per cent of the value which his assets had three or four years ago. He said, "I am going to give up everything I have to my creditors and am going to start anew from scratch." I was one of his proposed victims and I replied, "I do not want my share of your property." He said, "Yes; I know you do not, because

the joke is on you"; and I realized that it was, but I could not resist telling him that he was acting wisely.

The thing to do for a man who owes money which amounts to 50 to 60 per cent of the value of his assets three or four years ago is to give up his assets, take a receipt from his creditor or from the bankrupt court, and start out new to build his future. Face the future. The past is dead. Only the future lives. The only way out of our situation is toward the front. It lies forward, not backward.

The remedy for our situation is fundamental. It lies in liquidation. It means pay our debts. It means liquidate our business methods. It means liquidate our personal habits and standards of living.

Let me say that the crying need of this country to-day is that we shall balance the Budget. The crying need of every civic unit—State, city, and county—is that they shall balance their budgets. The crying need of every business concern and every individual is that he shall balance his budget; and do it now. [Applause.]

Liquidate, readjust, face the future, then the slow and painful processes of rebuilding and reconstruction—therein lies the road to recovery, not only in the United States but throughout the whole world. We have had our dance; now then it is "pay the fiddler." And the awful pity of it is that so many of the innocent, and those least responsible, have the heaviest price to pay.

I hear gentlemen bewail the woes of the farmers. I would like to say to them that the farmers are better off than any class in this country. I wish the farmers only knew what sufferings are being endured in the industrial sections. I represent a typical industrial district. In my county there is 431,000 population. More than 100,000 of those people are living on public charity, and there are many more who are in need of it, though they are too proud to ask for it.

A farmer in debt is in a bad situation, but his situation is no worse than that of anybody else who is in debt. For every farm mortgage there is a city home mortgage, and for every mortgage on the farmer's business there is a mortgage on the plant of the business man, and it is just as hard, yes, harder, to pay those mortgages on city and industrial property than it is to pay the mortgages on the farm property. There are farmers who are out of debt. Very few city people are out of debt. But the farmers can eat, and they have homes to live in, when they are out of debt and own their farms. But the city man can not eat, and he has no home in which to live.

I can think of some things that ought to be done. I do not expect them to be done. I have no doubt that the leadership of the future will be the same kind of leadership we have had in the past. I am not referring to political leadership particularly. I am referring to all kinds of leadership. The leadership of the future will be unwilling to drink the bitter draught which I have pointed out as necessary.

But I can think of some things that ought to be done. We need to balance these budgets. That is the first thing. Instead of frittering away our time talking about the liquor question, had I had the deciding voice I would have insisted that the first measure to come before us should have been one which would have balanced the Federal Budget. [Applause.]

We need to correct our banking system so as to restore confidence in the banks and to make them worthy of confidence. That is one essential.

We need to deal with the foreign debts situation, not from a demagogic standpoint but from the standpoint of sound economics and willingness to do our duty, although it may make us unpopular at home.

We need to tear down the barriers of trade between our people and the people of other countries. [Applause.] We need to restore freedom of trade among our own people. What can you say when you point to the farmer's price index of 26 on cotton, 34 on wheat, and 42 on agricultural products generally, and then see the index on nonagricultural products standing at 66. On steel it is 71. So you go

on up through clothing and other things that have to be bought with cheap cotton and cheap wheat until you come to transportation, and we find that the cost of transportation is 105. It has gone up instead of down.

How can you have sound business when conditions prevail which make situations of that kind possible? It is not deflation that is hurting this country half as much as the inequality of deflation. The thing that is hurting us is that certain of our enterprises have gained a protected position. They are able, through our tariff systems or through monopolies or trade practices or governmental favors of one kind or another or vast corporate wealth or powers or other advantages, to resist deflation, whereas the producer of raw material is unable to resist. If to-morrow you could bring about a price situation in which the price index of all commodities should stand at a level of 50, we could at once go forward to recovery.

It is not the price that the farmer is receiving that is hurting him so much, it is the price which he is paying for that which he has to buy. What the farmer needs and what he is entitled to is an open market in which to buy even as he must sell in an open market. All he has the right to ask for is the free play of the laws of supply and demand—the free play of competition and of individualism.

Of course, this does not apply to the farmer who is in debt. I have told you what is going to happen to the man who owes money, and nothing which it is proper to do can help him.

I rose, in particular, to say this: We have not begun to recover. I would like to hope that we had. My heart hopes that we have, but my brain tells me that we have not. I know we have not. We have not brought about conditions which make recovery possible. We can not recover until those conditions are produced, and we have not got the courage to produce them. That is the trouble with us. I mean with public opinion—with the country.

We are in for a long siege of it. Let nobody think this depression is going to be over next year, or the year after that. I would be the happiest man alive if I felt that five years from to-day this country would be on a fairly even keel such as we were, say, in 1910. I would be happy if I could think that. I would even be happy if I felt that during my lifetime we would have fairly easy conditions in this country for business and for industrious, frugal, and sensible men.

Let us not continue this fatal policy of temporizing. Let us not try to hold on to the past and to make it live again. It will never live again. Let us face the facts. Let us look to the future.

When it comes to the matter of the relief of cold and hunger, let the Federal Government recognize frankly its responsibility and create orderly processes and a well-conducted machine to administer Federal relief to those who may be in need, so as to insure that no honest and industrious man shall suffer for the necessities of life.

I would have the Federal Government create a commission to study the question of relief and to propose legislation so that we might have a fairly regular system of administering Federal funds appropriated for that purpose. It can not be defended that we should turn over Federal funds to the politicians of the various States and local communities to use for the relief of distress or for other purposes as it may occur to them.

It can not be defended that we shall turn over Federal means to a private organization such as the Red Cross for administration by it according to its discretion. We should have a Federal body with Federal authority acting under Federal responsibility to handle these Federal funds and to see to it that they are administered as they should be. And in whatever we do or say, let us not for a moment forget that in whatever else we may fail we must keep our people alive.

In closing let me say: It is easy to be radical, it is easy to propose new and untried things, it is easy to indulge in language appealing to the unthinking and to those of the least information; that is very easy. But let me say that

this is not for a time like this. It is very well to try experiments and to indulge in new ideas when things are going smoothly and not much harm can follow from a mistake, but a time like the present is no time for rash experiments. [Applause.]

The highest proof of patriotism and of statesmanship in a time like this is that the public servant shall be able to keep his feet on the ground, keep his head up, and keep his brain clear. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, while I rejoice over the great victory we won on November 8, I hope we all appreciate that the unprecedented victory carries with it unprecedented responsibility. No party ever assumed a greater responsibility than that which will be imposed upon the Democratic Party after March 4. We have got to sober up from our splendid victory, get our feet back on the ground, and keep them there for the next four years.

As I interpret our victory it is not a license to continue to fiddle while Rome burns but a mandate to put out the fire. We won not alone on the ground that the Republicans are poor fire fighters, but because we promised to extinguish the conflagration.

One of the greatest governmental fires to-day is the tax fire that is consuming the substance of the taxpayers, large and small alike.

The Democratic platform contains a promise to reduce the expenses of government at least 25 per cent. The American taxpayers are expecting us to fulfill that promise 100 per cent, and they are demanding immediate fulfillment. As a humble member of the Democratic Party that promise is my promise—it is the promise of every Democrat in this land—and I for one intend to make an honest effort to see that it is fulfilled to the letter.

With this end in view on November 25 I addressed the following letter to the chairmen of the Democratic Party in the counties of my district:

NOVEMBER 25, 1932.

Mr. _____,

Chairman Democratic Party of _____ County, _____, Va.

MY DEAR MR. CHAIRMAN: The Democratic platform contains this promise:

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government, and we call upon the Democratic Party in the States to make zealous effort to achieve a proportionate result."

As Federal taxes are crippling business, clogging the wheels of industry, and weighing down the taxpayers with tax burdens they are unable to carry, this pledge made by the Democratic Party should be carried out at once; and as I believe you can be of inestimable service in the fulfillment of this pledge I am writing to solicit your active aid and support.

While the situation in Washington is intolerable and should be corrected at once, I do not believe that all of the trouble is in Washington. The trouble permeates our governmental fabric from top to bottom. There are offices outside of Washington that should be abolished and there are consolidations outside of Washington that should be made. In fact, there are, in my opinion, many useless offices in every congressional district that should be abolished, and there are consolidations in every such district that should be made.

I, therefore, request that you, along with the other leading Democrats and business men of your country, make a complete survey of the situation in your county in order to determine—

First. What Federal offices in your county can be abolished. In order to do this you should check up on every Federal employee, high and low, from janitor up. In connection with this work if you need a list of the Federal employees in your county kindly advise and I shall take pleasure in furnishing you with such a list.

Second. What salary reductions can and should be made?

Third. What consolidations can be made? In this connection I believe particular attention should be given to the consolidation of mail routes, many of which have not been changed since the days of the horse and buggy.

Fourth. If rents paid for public buildings are fair and just and in keeping with the prevailing rents in the community.

Fifth. Any other matters you may know of or which may be called to your attention that will effect a saving to the taxpayers.

As much as we may dislike to abolish offices, thus throwing out of employment men and women sorely in need of work, we should ever remember that it is not the function of government to create Federal offices in order to give employment. Taxes

are not paid for the purpose of taking care of one another, but for the purpose of maintaining our Government, and the Government should be maintained not only in a competent but in a frugal manner.

For obvious reasons now is the time to make the needed changes and corrections. Among the reasons may I state that it is much easier to refuse to employ than it is to discharge after employment has been given.

I am going to urge the other Congressmen to have similar surveys made of their districts. If these surveys are honestly and intelligently made, I believe we can aid materially in reducing the cost of government.

Probably it would be well to call a meeting of the leading business men in your county for the purpose of discussing these matters and assisting in making the survey.

I hope you will give these matters your immediate attention and furnish me with a complete report at the earliest day possible.

With every good wish, I am, sincerely yours,

JNO. W. FLANNAGAN, JR.

I sent a copy of the letter to the leading business men of my district, asking them to cooperate in every possible way, and the responses I have received from the chairmen and business men are indeed encouraging. I hope to report the result of the survey of my district in a short while, and I believe it will show that thousands of dollars can be saved annually.

If the result of the survey of my district shows that the effort has been worth while and that a substantial saving can be effected, I hope the other Congressmen will have like surveys made of their districts.

While I may be mistaken, I firmly believe that if we obtain an honest and intelligent survey of each county and city in this country the results will open our eyes.

This method of getting at waste and extravagance will bring the matter in a forcible way to the attention of the people. There is nothing so impressive and convincing as to bring a matter home. You know we are prone to criticize waste and extravagance found in other places, closing our eyes oftentimes to the conditions at home. Let us bring this matter home to our people and get them to assist in working it out. If local waste and extravagance are discovered by the local people, we will have their sympathy and support in making the needed corrections. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. Dies].

Mr. DIES. Mr. Chairman, this country is staggering under a public and private indebtedness in excess of \$230,000,000,000. These debts, with interest and with taxes and other fixed charges, have to be paid in dollars which have suddenly increased in value—in a dollar which now requires 6 bushels of corn instead of 1, 3 bushels of wheat instead of 1, 5 pounds of cotton instead of 1, and 10 shares of United States Steel stock instead of 1. The dollar under these conditions has increased in terms of wholesale commodities 56 per cent above the normal purchasing power of the dollar for the years 1921–1929, as ascertained by the United States Department of Labor. On account of the increased purchasing power of the dollar this indebtedness, in terms of present commodity prices, is in excess of \$460,000,000,000; and farm mortgages, fixed at 9,000,000,000, have in the same manner increased in excess of 18,000,000,000. The purchasing power of the dollar, in terms of standard stocks, has increased 400 per cent, and in terms of special stocks, 1,000 per cent.

The products of the farm can not pay taxes and interest on mortgages, and millions of honest and deserving citizens are losing, or threatened with the loss of, their homes, their means of livelihood, and the necessities of life; merchants are bankrupt; 12,000,000 people are unemployed; and distress and want have become acute.

The cause for the increased purchasing power of the dollar is the contraction of credit and currency. About 90 per cent of our business is transacted with checks, which take the place of money, and act as the medium of exchange. The demand for dollars exhibited by checks cashed in 1929 has fallen from about 1,200,000,000,000 to 600,000,000,000 last year. Our bank loans have contracted over \$14,000,000,000; our bank deposits over \$13,000,000,000; and our bank deposits upon which checks are usually drawn have contracted over \$8,000,000,000.

Of \$5,500,000,000 in circulation, so-called, about \$500,000,000 is abroad or lost; \$1,600,000,000 is in hoarding; about \$850,000,000 is in the banks to cash checks; about \$1,150,000,000 is estimated to be in 1,350,000 shops and stores—leaving about \$1,400,000,000 in the pockets of the people, or about \$12 per capita.

Mr. Chairman, we are not the only country that has been confronted with the serious problem of debt. In discussing the important part that debt played in the destruction of Rome, one great author said:

Credit is the great weapon of the aristocracy against the lower class. The nobility was thereby enabled to place in its power the small farmers, whose labor and lives it controlled until the day when they realized that they were oppressed and formed alliances strong enough to break for the time being their serfdom. The concentration of land reposed to a great extent on the workings of the credit system, the property of the rich increasing almost automatically by the addition of that of the poor, and the seizure of the mortgaged property being the main reason for this expropriation.

The problem of debt was so serious in Rome that the Government adopted the most drastic measures in dealing with it. In 342 B. C. Rome abolished interest altogether. In 352 B. C. a state commission of five bankers was appointed to adjust the strained relations between debtors and creditors, and their efforts seem to have met with some success. Pliny states that during the first Punic War the Roman dollar was diminished in weight from 1 pound to 2 ounces, and the power of money fell to such a point that he says:

Thus a profit of five-sixths was made and debts were canceled to that extent.

The remission of debts was often the slogan of the peasants and workers, and at one time they forced the passage of a law that reduced all debts and decreed that interest payments in the past would be applied on the principal. But the ablest historians agree that through the power of money and credit exercised by a select few and manipulated to suit their interests the sources of wealth were concentrated in their hands and the majority was reduced to enforced idleness and poverty.

After the World War France was burdened with a crushing debt, but she proceeded to liquidate the indebtedness of her citizenship by the Government increasing the quantity of money, and thereby increasing the price of her farm and other commodities. France increased the quantity of her money five times, and her wholesale prices increased seven times, while her farm commodity prices increased six times. According to researches conducted by Columbia University—

Prices rose with the volume of money in 1919 and 1920, fell with it in 1921 and 1922, and rose again from 1923 to 1926.

Of course, there was a great depreciation in the purchasing power of the franc, as measured in the terms of the gold dollar. In 1913 the value of the franc in terms of dollars was 100, but it steadily decreased year by year until in 1926 it was 17. The value of the franc in terms of its wholesale purchasing power fell from 100 in 1913 to 14 in 1926. According to the conclusions reached by the council conducting this research, certain advantages resulted from the inflation as well as certain disadvantages. The advantages were: First, the debts, with interest and other fixed charges, were greatly reduced. The French farmers profited from the inflation, in the words of the council, as follows:

On the whole, it appears that changes in the costs of farm production did not keep pace with changes in the price of farm products, so that in all probability the French peasant and farmer found a certain advantage in inflation. Their labor costs, their expenditures for fertilizers, their mortgage charges, were all reduced.

French industry profited from the inflation, as follows, in the words of the council:

The low gold values of French manufactured products brought about a certain expansion of markets abroad. The diminution in costs of production stimulated industrial activity, while the flight from the franc on the domestic market opened a sufficient home outlet for the increased flow of goods. It was mainly through its effects on the costs of production that inflation exerted a direct influence on industrial output. This is fairly obvious in the case of that element of cost which consists of

interest paid on capital charges. An industrial firm which had issued a million francs' worth of bonds before the war at the current rate of $3\frac{1}{2}$ per cent was still paying 35,000 francs per year in 1926 as interest. In that year, however, these 35,000 francs were worth only 5,000 francs in terms of 1913 purchasing power. From the point of view of prevailing prices in 1926, therefore, the rate of interest on this loan fell from $3\frac{1}{2}$ per cent to one-half of 1 per cent. Such economies enabled businesses to sell at lower prices and stimulated production and sales. The general opinion seems to be, for example, that the farm laborer and the small peasant were better off in the postwar period than before the war. They are said to be better fed, to eat more frequently, to be better clothed, and housed, than ever before.

The disadvantages of inflation to French agriculture on account of inflation are summed up by the council as follows:

On the other hand, machinery cost them dearly and they had difficulty in obtaining sufficient labor and credit. These difficulties were so serious that they often resulted in the abandonment of farm lands.

However, this research council found that the French Government immediately did away with the difficulty of securing credit by placing at the disposal of the rural credit associations vast sums of money and allowed these associations to loan to the farmers on easy conditions. The rate of interest on long-term loans made by the above associations to the farmers was invariably 2 per cent up to the middle of 1927, when it was raised to 3 per cent.

In regard to the disadvantages to industry the council concluded as follows:

In the later years of inflation French industry suffered, however, from the scarcity of capital.

The reason that inflation produced a scarcity of capital is because those who had money were afraid to make long-term loans on account of the falling value of the franc and the uncertainty of collecting in francs whose value was the same as when they were loaned.

This council, as the result of its exhaustive investigation, reached the following general conclusion:

The evidence pointing to the favorable effects of the depreciation of the franc on industry is not presented as a general defense of the policy of money inflation. From the point of view of the State budget and public finance, inflation is probably as disastrous as specialists in those fields point it out to be. It undoubtedly ruined certain economic classes in France and caused others to suffer heavy losses. It upset values. Although industry and trade were profited by inflation, yet it seemed reasonable at that time to anticipate a ruinous aftermath as soon as inflation should cease. If, indeed, no calamity has actually attended the de facto stabilization of 1927 and the legal stabilization of 1928, it is because the expanding economic life of France and her increasing industrial activity are more independent of monetary conditions than is generally believed to be the case.

Of course, Mr. Chairman, no one is advocating that the American dollar should be depreciated below its normal purchasing power for the years 1921-1929, as ascertained by the United States Department of Labor. Such a depreciation would cause tremendous loss to everyone who owns insurance policies, mortgages, stock, bonds, and other evidences of credit. But, on the other hand, it is equally unjust and unfair for the debtor to return to the creditor a dollar which is worth 56 per cent as an average, and in some instances 400 per cent, more than it was at the time he borrowed it. To require him to do so would mean wholesale bankruptcy.

It must, therefore, be evident to every thoughtful man that the normal purchasing power of the dollar must be restored. There are two ways of doing this—one by expanding credit, and the other by expanding currency. Since 90 per cent of business is transacted with credit and bank checks, and since it is manifestly impossible to substitute for the \$600,000,000,000 of bank checks that have ceased to be used since 1929 an equal amount of currency, it is obvious that the most important task is to restore credit and confidence.

The Government can do much to restore credit; industry, finance, and business can do much more. As a progressive program of immediate relief, I suggest the following:

First. A drastic reduction in unnecessary Federal, State, and municipal expenditures, with a corresponding reduction

in taxation. The return of credit and prosperity is seriously hampered by the crushing tax burdens and the perpetual fear of new tax levies. It is amazing to contemplate the mounting cost of government in the United States. In 1913, less than 20 years ago, the combined income and earnings of the American people were \$34,000,000,000, and of this amount the governmental expenditures took less than \$3,000,000,000, or less than 9 per cent. In 1931 the combined income and earnings were \$70,000,000,000, of which amount governmental expenditures took \$14,000,000,000, or 20 per cent. The income and earnings have fallen to \$42,000,000,000 in 1932.

In other words, during this period of less than two decades the cost of Government increased, roughly, 450 per cent, and the earnings of the people who support the Government have increased from \$34,000,000,000 to \$42,000,000,000. Today out of every \$5 the American people earn more than \$1 goes to pay the expenses of Government. Of the tax dollar, only 30 per cent represents Federal taxation; the remainder represents State, municipal, and local taxes. It is easy to advocate economy in general terms, but when one becomes specific, he incurs the opposition of every selfish group profiting from unnecessary expenditures.

On December 8, 1932, I introduced in the House of Representatives a drastic economy bill, which applied to every department of the Government, and provided for the elimination of many unnecessary bureaus, boards, and commissions, and the consolidation of others. It will not only save money but will restore this country to a Democracy, and put an end to the tyranny, inefficiency, and extravagances of the present bureaucracy.

Second. A fair and equitable distribution of the tax burdens based upon the ability to pay. In many States, land and homes carry the greatest tax burden, until to-day it is cheaper to rent than to own. The farmer is compelled to increase his production in the desperate effort to pay taxes. An interesting movement is now on foot in many States to substitute a State sales tax in place of a land tax. If the tax on farms and homes is greatly reduced, this will encourage ownership of one's home, which is indispensable to Democracy.

Third. The enactment of the bill which passed the last House, only to die in the Senate, for the purpose of guaranteeing bank deposits. More than 5,000 banks have failed in the last two years. This has weakened the confidence of the people in our banking structure, encouraged hoarding, and contracted credit. If the depositors are assured that their funds are guaranteed against loss, it would have a stimulating effect upon all business.

Fourth. A sound and helpful revision of our banking laws to prevent speculation and to supply the credit needs of legitimate business and agriculture. If the French farmer can secure long-term loans for 2 per cent interest, the American farmer is entitled to the same privilege. If necessary, we can set up the same machinery which worked so successfully in France in order to provide cheap credit to enable the American farmer to carry his debts, pay them off, and operate his farm on a profitable basis.

Fifth. In my judgment, we must immediately expand our currency. There are various methods proposed to do this. The most effective way of doing it is to broaden the base of our metallic money. At present our entire monetary system rests on a foundation of gold. We have about four and a half billions of dollars of gold and over \$150,000,000,000 debts are payable in gold of the present weight and fineness. Most of the schemes for the expansion of paper money do not contemplate the strengthening of the foundation and the widening of the base. No structure, however elaborate, complicated, and ingenious, can possibly be stronger than its foundation. To increase the height and size of the superstructure without corresponding increase in the firmness and strength of the foundation is to incur the risk that sooner or later the superstructure will crumble. It seems to me that one of the soundest ways to expand our currency and at the same time to broaden the base of our metallic money is to authorize the Secretary of the Treasury

to issue Treasury notes against deposits of silver bullion at the market price of silver when deposited payable on demand in such quantities of silver bullion as will equal in value at the date of presentation the number of dollars expressed on the face of the notes at the market price of silver or in gold at the option of the Government, or in silver dollars at the option of the holder, and to make these notes receivable for all public duties. This was proposed by Secretary of the Treasury Windom in 1889. He urged that this would give the country a—

Paper currency not subject to undue or arbitrary inflation or contraction nor to fluctuating values, as good as gold, an absolutely sound and perfectly convenient currency to meet the wants of those who desire a larger volume of circulation and not encounter the opposition of those who deprecate inflation.

The United States produces fourteen times more silver than gold. The United States, Canada, and Mexico produce 75 per cent of the silver of the world. This plan, therefore, will not only broaden the base, but will broaden it with a commodity that we can largely control. There is another great advantage—1,500,000,000 people of the world use silver as a medium of exchange. At present they are unable to do business with us because in order to purchase our commodities they are compelled to purchase the valuable gold dollar with the cheap silver dollar, which in some instances means that they have to give \$4 of silver for \$1 of gold.

The expansion of our currency by a more enlarged use of silver in the manner above indicated will likewise expand credit. At present our banks have available only about \$1 in cash and reserves against about \$14 in deposits. The fear on the part of many banks that a panic may cause a run on them causes them to keep on deposit as much cash as possible. This produces contraction of the currency, hoarding, and contraction of credit. An expansion of sound currency will, therefore, inspire confidence and increase the amount of dollars in cash and reserve against the amount of dollars in deposits.

This plan will not only take the place of the currency sent abroad or lost and in hoarding and in the banks to cash checks, but it will likewise tend to cause the 1,600,000,000 now hoarded to come back in circulation. It will supply the great scarcity of money which is now being felt in many parts of the country. Many communities are using wood currency and other devices in order to transact business.

Another method of expansion that is being proposed is to cut the gold dollar in half. At present the gold dollar consists of 25.8 grains of gold, which includes the alloy. It is proposed to enact a law which will declare that the gold dollar, instead of consisting of 25.8 grains, will consist of one-half, or a little over 12½ grains of gold. It is argued that since the purchasing power of the present gold dollar has increased tremendously and that since debts have doubled or more, this plan will restore the normal purchasing power of the dollar and reduce indebtedness to the value which existed at the time the debts were contracted. Since many debts are payable in gold of the present weight and fineness and since the Supreme Court has held such contracts valid and enforceable, it is proposed to levy a tax of 50 per cent on all such bonds, contracts, and mortgages, payable in gold of the present weight and fineness, where the holders attempt to enforce collection in accordance with the contract. Advocates of this measure say that such a tax will compel creditors to accept payment in the new gold dollars of 12½ grains, and that this will not only restore the normal purchasing power of the dollar and enable debtors to return to their creditors dollars whose purchasing power is the same as the dollars they borrowed, but that it will also double the volume of money and commodity prices.

These methods of expansion as well as all others proposed should be carefully studied and considered by Congress, and some practical and workable plan should be agreed upon and enacted into law at the earliest possible moment.

Sixth. We must take immediate steps to shorten the hours and days of work. The introduction of labor-saving devices and the widespread use of machinery are displacing human labor and producing enforced idleness. It has been

said that in 1904, the beginning of the automobile industry, one man needed 1,291 hours to fabricate an automobile; by 1914, he needed 400 hours; in 1929, 92 hours; and to-day only 73 hours; that in 1830 a man could make 45 bricks in 60 minutes, and to-day, if he followed the best practice, he could make 40,000 bricks in the same time; and it has even been recently stated that between 12,000,000 and 15,000,000 people could do everything required to run the Nation. This is no doubt an extreme statement and is probably not supported by the facts. Nevertheless, it is certainly true that the constant invention of labor-saving devices and their use by industry is taking the place of man labor, and that we must offset this by shortening the hours and days of work, and thereby spread employment among everyone. If wealth is to be distributed properly, the economies of the machine must be distributed in fair proportion to capital, labor, and the consuming public. If either one of these groups derives unfair advantages from the economies produced by the machine, the present maldistribution of wealth will continue to grow worse until the machine will become a curse. Labor must have its fair share in shorter hours and decent living conditions and wages; capital must have its fair share in the reasonable returns on investment; and the consuming public must have its share in the form of better and cheaper commodities. At present neither the consuming public nor labor is receiving its fair share of the savings and economies brought about by our machine and scientific civilization. Since the depression, labor has lost in excess of \$20,000,000,000 and agriculture has sustained a loss of more than \$50,000,000,000. The wages of labor barely held their own from 1926 to 1929, with drops in the years between, while the wages of capital for the same time rose 73 per cent. From 1929 to 1932, wages of labor had dropped 62 per cent, while wages of capital dropped 7.2 per cent, and are still 60 per cent above the 1926 level which is taken as the standard. At the peak of prosperity capital received as interest and dividend payments \$7,588,000,000. In 1932, this shrunk to \$7,000,000,000, or a loss of \$588,000,000. The farmers' annual income, on the other hand, tumbled from a peak of \$16,000,000,000 to about \$5,000,000,000.

Not only must we restore a fair distribution of wealth and the profits of industry between labor and capital but we must establish a parity between agricultural and nonagricultural products. On account of the 1,267 mergers formed in the past 10 years and the consequent disappearance of 8,003 independent businesses, with a narrowing in all directions of the field of competition, and on account of tacit understandings and trade agreements, protective tariffs, discriminatory laws, and governmental subsidies, many industries have been able to fix the price of their commodities. Agriculture, composed of a multitude of individual and competitive citizens, has been unable to fix the price of its commodities. Consequently, the farmer is subject to the laws of competition, whereas favored and special interests are not. By paying too much for the things he has to buy and getting too little for the things he has to sell, the farmer has not shared in the national wealth, and has been reduced to poverty. Therefore, equality in the price level between agricultural and nonagricultural commodities must be restored, either by pulling nonagricultural commodities down to the level of agricultural commodities or by lifting agricultural commodities to the plane of nonagricultural commodities. Unless this is done a rise in commodity prices by the restoration of world trade, by expansion, or by any other means, though it will help the farmer in paying off his debts and fixed charges, will not solve his problems. As long as the price of nonagricultural commodities is fixed, it will always rise higher than agricultural commodities, and the farmer will be bled until he will soon be in debt again. Already 40 per cent of the improved farms are cultivated by tenants.

Seventh. The United States must take the initiative in inducing the world to agree to a general lowering of tariff walls, trade barriers, and armament costs. We must also take the lead in undertaking to get the nations of the earth to agree on a definite ratio between gold and silver, so as to

give to the world an international currency with which to do business.

Eighth. There must be a scaling down of many debts; interest on farm and home mortgages must be lowered. In many instances the amount of the mortgages and fixed charges on farms and homes are greater than the reasonable market value of the property. These mortgage debts must be revised downward, and the farm and home owner must be refinanced on liberal terms and at a reasonable rate of interest so that he can pay off his debt and save his property.

Mr. Chairman, this is a far-reaching, constructive, and progressive program that is necessary for the salvation of our present civilization. The Government must take the lead in this program, but its success will largely depend upon the intelligence, patriotism, and unselfish cooperation of business and finance. What this country needs is to center upon a definite program and to carry it out. In the past four years Congress and the Nation have been wandering like a ship without a rudder on the sea of doubt, conflict, and uncertainty. In the meantime conditions have steadily grown worse. Not only do we need a definite and intelligent plan of attack upon the destructive forces that are undermining the foundation of this Republic, but we need a leadership inspired by high ideals, noble aspirations, and a fixed and unalterable purpose to solve the problems of the day. The wisest laws fail unless they are enforced and administered by intelligent, patriotic, and courageous men. Without such men the most perfect, constructive, and helpful program will fail; with such men a faulty and imperfect program will succeed. I have an abiding faith and firm conviction that this Nation will be blessed with such leadership during the next four years, and that under the progressive and intelligent leadership of President-elect Roosevelt we will yet belie the dismal experience of all Republics that have flourished and then decayed in the days that are gone.

Mr. GREENWOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman and members of the committee, in these days, when we are trying to reduce Government expenditures and balance the Budget, information relative to our appropriations is always interesting and sometimes welcome. My purpose in rising to-day is to call attention of the membership of the House, especially the members of the Appropriations Committee and the members of the Committee on Ways and Means, to the situation that confronts the Congress by reason of the act of March 3, 1919, which provides for the sinking fund for the retirement of our public debt.

Whenever one attempts to discuss the financial affairs of the Government he is approaching a most complicated subject. In this instance, however, it appears that I can make myself clearly understood in a few words.

The act creating the sinking fund, in part, provides: First, that 2½ per cent of the aggregate amount of outstanding bonds and notes as of July 1, 1920, less an amount equal to the par amount of any obligations of foreign countries held by the United States on that day, is appropriated for the sinking fund, and, second, the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.

It is the second condition which I desire to refer to.

As to the first appropriation, the Budget statement to be found on page 203-A of the message of the President received yesterday shows that for the fiscal year 1934, \$439,658,200 is appropriated. The first proviso of the act provides for the appropriation of \$253,404,864.87. I do not see how the Congress could appropriate a dollar less than this amount without jeopardizing the sinking fund.

The second proviso of the act, however, requires an appropriation for the fiscal year 1934 of \$179,447,735.13. The amount under the second proviso increases from year to year, but the Budget statements show that the amount under the first proviso remains the same.

In the Treasury appropriation bill which we will have before us in a few days we are going to be asked to appropriate \$179,447,735.13 to comply with the second proviso in the sinking fund act.

Everyone will agree that when times are normal and we are not running a deficit it would be advisable to reduce the public debt as quickly as possible, in order to save the interest on outstanding obligations, provided that it was not a hardship upon the taxpayers of the country.

To-day the taxpayers of the country are clamoring for relief, and are demanding a reduction in taxes as well as a reduction in Federal expenditures. Here is a chance for some relief.

The question arises in my mind as to whether or not it would be advisable for the Congress to consider at this time an amendment to the sinking fund act which would make the second proviso inoperative for, say, three years. There may be good and sufficient reasons why this should not be done; but if there are, no argument has as yet been presented to me that would warrant my saying that it should not be done.

Let me now repeat the situation: Here we are asked to appropriate \$179,447,735.13. What for? To add to the sinking fund the amount that would have been required to pay the interest on Government obligations which have been purchased, redeemed, and canceled.

Of course, when we appropriate this money we add the amount to the sinking fund, and it is used to redeem additional outstanding Government securities.

What will happen if we fail to appropriate this \$179,447,735.13 for the fiscal year 1934? As I understand it, the Treasury Department will not be able to redeem that amount of Government obligations during the fiscal year 1934. The sinking fund will be limited to \$253,404,864.87 plus the unexpended balance.

During the fiscal year 1934, and probably before the start of the fiscal year 1934, the Treasury Department will no doubt call the 1933-1944 Liberty loan, which is now paying an interest of 4½ per cent. Money, of course, will immediately be borrowed to finance this transaction. The purpose in calling the loan will be to issue new obligations which will bear a lower rate of interest. The Government is borrowing money now at less than 3 per cent interest on 4-year notes, so it is evident that we can refinance the 1933-1944 loan at a much lower rate of interest than is now being paid.

This is another reason why I feel that it might be advisable to discontinue for the time being the appropriation now required under the sinking fund act. The retirement of the 1933-1944 bond issue might—I do not know positively—increase the appropriation under proviso 2. In order to properly bring the matter to the attention of the Ways and Means Committee, I am to-day introducing a bill making the provision referred to inoperative for three years.

Mr. GREENWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HANCOCK of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the President's message and had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT—CONSOLIDATION AND ABOLISHMENT OF BUREAUS AND COMMISSIONS (H. DOC. NO. 493)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed.

(For message see Senate proceedings of to-day.)

ORDER OF BUSINESS

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent that District of Columbia business, in order on Monday, be in order to-morrow.

Mr. MICHENER. Mr. Speaker, reserving the right to object, do I understand District business will take about

two hours, and then it is proposed to bring in an appropriation bill?

Mr. GREENWOOD. That is the purpose of the request. It is hoped the appropriation bill will at least be ready by Monday and that we will conserve time to-morrow by considering District business then instead of Monday. This meets with the approval of the chairman of the Committee on the District of Columbia.

Mr. STAFFORD. Mr. Speaker, I have no objection if the request is limited to public bills reported by the District of Columbia Committee.

Mr. GREENWOOD. I am not informed what bills will be taken up. The request is merely to substitute to-morrow for Monday.

Mr. STAFFORD. This is the only committee under the rules of the House that has a day with a special order and the privilege of calling up private as well as public bills reported by the committee. I do not think the committee should have preferential treatment for the consideration of private bills. The bills to be considered should be public bills; and if the gentleman from Indiana will modify his request to this extent, I shall not press my objection.

Mr. GREENWOOD. We are seeking a way to use to-morrow in order to conserve the time of the House. There is no limitation of the kind the gentleman asks with respect to Monday.

Mr. STAFFORD. There are one or two private bills I do not think should be considered that have been reported from the District of Columbia Committee. There are public bills that should be considered. It seems to me the request I make is a reasonable one.

Mr. BANKHEAD. Has the gentleman any information that it is the purpose of the committee to call up bills other than public bills?

Mr. STAFFORD. There are one or two private bills that are in order to be considered, and I do not think they should be considered on a day when there is public business to be considered.

Mr. BANKHEAD. It is unfortunate the chairman of the committee is not present to give the gentleman from Wisconsin some assurance upon the matter, but, as stated, this request is made for the purpose of expediting the business of the House.

Mr. STAFFORD. I do not wish to do anything to interfere with the expedition of the public business of the House.

Mr. KVALE. Mr. Speaker, reserving the right to object, does the gentleman who propounds the request know whether it is the intention of the committee to bring up the small loans bill to-morrow?

Mr. GREENWOOD. I have no knowledge as to what bills will be brought up. I am merely seeking this consent in order to change the time of the committee from Monday to to-morrow.

Mr. KVALE. Mr. Speaker, I think if it is the intention to call up the small loans bill to-morrow, the House should have notice of such intention. I do not wish to press my objection.

Mr. MICHENER. Mr. Speaker, the majority leader, Mr. RAINY, advised me there would be just about two hours' business for the District Committee to-morrow. It can not be they intend to call up a lot of private bills.

Mr. GREENWOOD. It is my information that they are not intending to call up private bills, but I do not have it from the chairman of the committee and I dislike to put any limitation on the committee that would not be upon it on Monday in merely asking for an exchange of days. I think the gentleman from Wisconsin might well withdraw his objection.

Mr. STAFFORD. The gentleman from Indiana well recognizes that appropriation bills have equal precedence and privilege in their consideration with District business. They are of like character. Everyone in the House wishes to dispatch the appropriation bills. I have been assured that the Post Office-Treasury appropriation bill will be ready for consideration to-morrow.

Mr. GREENWOOD. Oh, no.

Mr. STAFFORD. Well, whether it is or not, it is a reasonable request to have District business limited to public bills, and there are 10 or 12 such bills on the calendar. I am not in any way seeking to interfere with the change from Monday to Saturday.

Mr. GREENWOOD. This request is made in order to give the appropriation bill right of way on Monday and conserve time.

Mr. STAFFORD. It has that right of way, anyway.

Mr. GREENWOOD. And also to take no advantage away from the Committee on the District of Columbia.

Mr. MICHENER. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object unless the committee is limited to the consideration of public bills.

Mr. GREENWOOD. Then, Mr. Speaker, I ask unanimous consent that public bills reported by the District of Columbia Committee in order on Monday may be in order to-morrow.

The SPEAKER. The gentleman from Indiana asks unanimous consent that public bills reported by the District of Columbia Committee in order on Monday may be in order on to-morrow exclusive, as I understand it, of recognition by the Chair of the Appropriations Committee, which would take precedence. In other words, the request is to give the District of Columbia Committee to-morrow as though it were Monday, for the consideration of public bills. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1778. An act for the relief of John S. Shaw; and

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1778. An act for the relief of John S. Shaw; and

H. R. 5256. An act for the restitution of employees of the post office at Detroit, Mich.

ADJOURNMENT

Mr. GREENWOOD. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 12 minutes p. m.) the House adjourned until to-morrow, Saturday, December 10, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, December 10, 1932, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on beer bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

776. A communication from the President of the United States, transmitting the Eighteenth Annual Report of the National Advisory Committee for Aeronautics for the fiscal year ended June 30, 1932; to the Committees on Military Affairs, Naval Affairs, and Interstate and Foreign Commerce and ordered to be printed.

777. A letter from the national legislative committee of the Veterans of Foreign Wars of the United States, transmitting the proceedings of the Thirty-third National Encampment of the Veterans of Foreign Wars of the United

States, held at Sacramento, Calif., August 28 to September 2, 1932 (H. Doc. No. 449), to be printed under authority of Public Resolution 126, of the Seventy-first Congress; to the Committee on Military Affairs.

778. A letter from the Secretary of War, transmitting a report dated November 7, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Calumet Harbor and River, Illinois and Indiana (H. Doc. No. 494); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

779. A letter from the Secretary of Navy, transmitting a draft of a bill for the relief of Capt. George W. Steele, jr., United States Navy; to the Committee on Claims.

780. A letter from the Secretary of the Navy, transmitting a draft of a bill for the relief of Lieut. Col. Russel B. Putnam, United States Marine Corps; to the Committee on Claims.

781. A letter from the President of the United States, transmitting a letter for the consideration of Congress of deficiency and supplemental estimates of appropriations for the fiscal years 1932 and 1933 for the legislative establishment, certain executive departments and independent establishments, and the District of Columbia (H. Doc. No. 495); to the Committee on Appropriations and ordered to be printed.

782. A letter from the Secretary of War, transmitting a copy of the annual report of the American National Red Cross, as provided by the act of Congress approved January 5, 1905 (33 Stat. p. 599), entitled "An act to incorporate the American National Red Cross," as amended by the act approved February 27, 1917 (39 Stat. p. 946); to the Committee on Military Affairs.

783. A letter from the United States Employees' Compensation Commission, transmitting a report of the operations of the United States Employees' Compensation Commission for the fiscal year ending June 30, 1932; to the Committee on the Judiciary.

784. A letter from the Secretary of the Interior, transmitting a copy of a report from the Commissioner of the General Land Office of the withdrawals and restoration contemplated by the statute dated December 7, 1932; to the Committee on Expenditures in the Executive Departments.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 13237) granting an increase of pension to Maria Jefferson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13257) granting a pension to Honora E. Dempsey; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13443) granting a pension to Tom B. Jimmerfield; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HESS: A bill (H. R. 13484) to authorize the attendance of the Marine Band at the national convention of the Disabled American Veterans of the World War to be held at Cincinnati, Ohio; to the Committee on Naval Affairs.

By Mr. McLEOD: A bill (H. R. 13485) to amend section 9 of the act of July 15, 1932, entitled "An act to establish a board of indeterminate sentence and parole for the District of Columbia, and to determine its functions, and for other purposes"; to the Committee on the District of Columbia.

Also, a bill (H. R. 13486) to amend the revenue act of 1932 by repeal of the manufacturers' excise taxes, and substituting in lieu thereof a general manufacturers' sales excise tax; to the Committee on Ways and Means.

By Mr. MEAD: A bill (H. R. 13487) to amend the national prohibition act, as amended and supplemented, and for other purposes; to the Committee on Ways and Means.

By Mr. FRENCH: A bill (H. R. 13488) providing for the establishment of joint through rates and rates between rail and water carriers on the Columbia and Snake Rivers and their tributaries; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Missouri: A bill (H. R. 13489) authorizing farmers who have secured loans for crop production from the Secretary of Agriculture to sell free from the lien of the United States a sufficient quantity of said crops to pay the expenses of harvesting and disposing of said crops; to the Committee on Agriculture.

By Mr. ANDREW of Massachusetts: A bill (H. R. 13490) for preliminary examination and survey of Plum Island and Parker Rivers, Mass.; to the Committee on Rivers and Harbors.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 13491) to provide for increasing import taxes on crude petroleum and certain derivatives of petroleum; to the Committee on Ways and Means.

By Mr. FULMER: A bill (H. R. 13492) to provide for loans to farmers for crop production and harvesting during the year 1933; to the Committee on Agriculture.

By Mr. BRUNNER: A bill (H. R. 13493) to regulate certain employment on public work; to the Committee on Labor.

By Mr. BOLAND: Joint resolution (H. J. Res. 498) authorizing the President of the United States to issue a proclamation designating October 11 of each year a day to display the United States flag with appropriate ceremonies; to the Committee on the Judiciary.

By Mr. COCHRAN of Missouri: Joint resolution (H. J. Res. 499) to reduce the appropriations made to the public-debt sinking fund for a period of three years; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW of Massachusetts: A bill (H. R. 13494) for the relief of Cyril Ambrose Deery; to the Committee on Naval Affairs.

By Mr. ANDREWS of New York: A bill (H. R. 13495) granting an increase of pension to Margaret E. Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13496) for the relief of Harry Schrader; to the Committee on Naval Affairs.

Also, a bill (H. R. 13497) for the relief of William Arthur Cluchey; to the Committee on Naval Affairs.

Also, a bill (H. R. 13498) granting a pension to Caroline M. Nebrich; to the Committee on Pensions.

Also, a bill (H. R. 13499) for the relief of Charles E. Strouse; to the Committee on Naval Affairs.

By Mr. BARTON: A bill (H. R. 13500) granting a pension to Arley McKinney; to the Committee on Pensions.

By Mr. Biddle: A bill (H. R. 13501) granting an increase of pension to Liberty Derr; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 13502) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. GASQUE: A bill (H. R. 13503) granting a pension to Jerusha C. Howell; to the Committee on Pensions.

By Mr. GRISWOLD: A bill (H. R. 13504) granting an increase of pension to Sophia Long; to the Committee on Invalid Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 13505) granting an increase of pension to Lottie Tucker; to the Committee on Invalid Pensions.

By Mr. HARDY: A bill (H. R. 13506) granting an increase of pension to Clara Elenor Courtney; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 13507) for the relief of the heirs of the late Hugh McGlincey; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 13508) granting a pension to Lether Hendrix; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 13509) for the relief of Oscar Thompson; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 13510) for the relief of Joe P. Jamison; to the Committee on Military Affairs.

Also, a bill (H. R. 13511) for the relief of J. Furman Richardson; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 13512) for the relief of Edward Henry Condon; to the Committee on Naval Affairs.

By Mr. NELSON of Wisconsin: A bill (H. R. 13513) granting an increase of pension to Mary A. Smith; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 13514) granting an increase of pension to Barbara M. Hepinstall; to the Committee on Invalid Pensions.

By Mr. PESQUERA: A bill (H. R. 13515) for the relief of Carlota Ballesteros; to the Committee on Claims.

By Mr. RAMSPECK: A bill (H. R. 13516) granting a pension to Berta Herbert; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 13517) for the relief of William Joseph Klauck; to the Committee on Naval Affairs.

By Mr. SHREVE: A bill (H. R. 13518) granting an increase of pension to Margaret Damon; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 13519) granting a pension to Eunice A. Moon; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8775. By Mr. BOYLAN: Letter from the Steuben Society of America, 369 Lexington Avenue, New York City, N. Y., opposing the cancellation of war debts; to the Committee on Foreign Affairs.

8776. By Mr. BURDICK: Petition of Alvord N. Dolliff and 613 other residents of Newport and Providence, R. I., protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on the Judiciary.

8777. Also, petition of Patrick M. Fogarty, Ellen Lyne, Ellen Fogarty, and 52 other residents of Newport, R. I., protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on the Judiciary.

8778. By Mr. CONDON: Petition of Adelbert B. Matterson and 204 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8779. By Mr. CONNOLLY: Petition of sundry citizens of Philadelphia, Pa., praying for an investigation of the motion-picture industry and the enactment of legislation for Federal supervision of the production of motion pictures; to the Committee on Interstate and Foreign Commerce.

8780. By Mr. DE PRIEST: Petition of Otto Gresham, a member of the Chicago bar, Chicago, Ill., to amend civil rights act, etc.; to the Committee on the Judiciary.

8781. By Mr. GARBER: Petition of members and attendants of the Methodist Episcopal Church and the Cross Roads Union Sunday School of Beaver, Okla., urging opposition to any repeal or modification of the Volstead Act or the eighteenth amendment; and petition of the Methodist and Baptist Churches, of Goodwell, Okla., representing 330 members, urging opposition to any change of our national prohibition laws; to the Committee on the Judiciary.

8782. Also, petition urging support of Senate bill 4646 and House bill 9891, the railway employees pension bills; to the Committee on Interstate and Foreign Commerce.

8783. By Mr. LAMNECK: Petition of Mrs. E. E. Trotter, Mrs. F. E. Wilson, and others, petitioning for the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

8784. By Mr. LINDSAY: Petition of National Association of Wooden Box Manufacturers, Chicago, Ill., urging the use of wooden containers for beer; to the Committee on Ways and Means.

8785. Also, petition of Henry Lockhart, jr., Longwoods, Md., outlining suggested plan for funding and liquidation of intergovernmental debts arising from the World War; to the Committee on Ways and Means.

8786. By Mr. LONERGAN: Petition of Farmers National Relief Conference, Connecticut division, submitting eight proposals for relief to the farmers; to the Committee on Agriculture.

8787. By Mr. McFADDEN: Petition of Farmers National Relief Conference, in session in Washington, D. C., December 7 and 8, 1932, comprising 250 farmers from various sections of the United States, certified to by Lem Harris, executive secretary; to the Committee on Agriculture.

8788. By Mr. MEAD: Petition of United Irish-American Societies of New York, opposing debt cancellation or further revision; to the Committee on Foreign Affairs.

8789. Also, petition of Buffalo Chamber of Commerce, Buffalo, N. Y., indorsing resolutions adopted by the United States Chamber of Commerce; to the Committee on World War Veterans' Legislation.

8790. Also, petition of the board of directors of the Buffalo Corn Exchange, Buffalo, N. Y., opposing Norbeck bill, S. 4935, and Hope bill, H. R. 12918; to the Committee on Agriculture.

8791. Also, petition of the National Employment Commission of the American Legion, New York, N. Y., outlining recommendations adopted at the American Legion National Convention in Portland, Oreg., on September 15, 1932; to the Committee on Labor.

8792. By Mr. MURPHY: Petition of 524 citizens of Salem and vicinity, protesting against any measures intended to weaken or nullify the eighteenth amendment, or any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8793. Also, petition of 186 voters of East Palestine, Columbiana County, Ohio, opposing any measures intended to weaken or nullify any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8794. Also, petition of 190 citizens of Wellsville, Columbiana County, Ohio, protesting against any measures seeking to weaken or nullify the eighteenth amendment, or any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8795. Also, petition of 100 citizens of Winona, Columbiana County, Ohio, and vicinity, protesting against any measures intended to weaken or nullify the eighteenth amendment, or any laws pertaining to the eighteenth amendment; to the Committee on the Judiciary.

8796. By Mr. REID of Illinois: Petition of 41 residents of Joliet, Ill., protesting against any beer bill or any repeal or weakening of the eighteenth amendment; to the Committee on the Judiciary.

8797. By Mr. RICH: Petition of First Methodist Episcopal Church of Emporium, Pa., protesting against any change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8798. By Mr. ROBINSON: Petition signed by Mrs. S. O. Hanson and about 25 other citizens of Vinton, Iowa, urging the maintenance of the prohibition law and its enforcement and protesting against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

8799. By Mr. RUDD: Petition of National Association of Wooden Box Manufacturers, Chicago, Ill., favoring the modification of the Volstead Act to legalize beer of an alcoholic content of approximately 3.2 per cent by weight; to the Committee on Ways and Means.

8800. By Mr. SWICK: Petition of Plain Grove Presbyterian Church, Rev. A. I. Dickenson, pastor, and Plain Grove United Presbyterian Church, H. D. Rose, pastor, of Lawrence County, Pa., opposing repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on the Judiciary.

8801. Also, petition of Middlesex Presbyterian Church, R. F. D. 6, Butler, Pa., and Eliza Thompson Woman's Christian Temperance Union, Mrs. I. J. Maharg, president, opposing repeal of the eighteenth amendment and modification of the Volstead Act; to the Committee on the Judiciary.

8802. By the SPEAKER: Resolution adopted by the League of Municipalities of the South San Joaquin Valley; to the Committee on Expenditures in the Executive Departments.

8803. Also, petition of Farmers National Relief Conference; to the Committee on Agriculture.

8804. Also, petition of International Engineer of Joy, 673 West Fayette Street, Baltimore, Md.; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

SATURDAY, DECEMBER 10, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, Blessed Lord, the silver cord which binds us to Thy feet has not been broken. It is as immovable as the outlines of the earth itself. As we are crowned with the divinity of mind and heart, may our intellects hunger for knowledge and wisdom and our hearts for righteousness and let not the gloom of discouragement hang over us. Our Father, impress us that there is a singular dignity and purity that lie on the brow of a good man. May we show forth in our careers the fruits of these fine achievements. Ever lead us toward the wealth of Christian character, stimulating us always by the vision of the highest forms of service to the Republic. Grant this, our Heavenly Father, for Thy glory and for our sakes and unto Thee be eternal praises. Amen.

The Journal of the proceedings of yesterday was read and approved.

CLOSING OF UNNECESSARY STREETS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8995) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes, and ask unanimous consent that the bill (S. 3532), a similar Senate bill, may be considered in lieu of the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the bill (S. 3532) may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent that the bill may be considered in the House as in Committee of the Whole. Is there objection?

Mr. STAFFORD. Mr. Speaker, a bill of this importance, taking away legislative jurisdiction of Congress over the closing of streets in the District of Columbia, is too important, in my judgment, to be rushed through the House, and therefore I am constrained to object.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3532), with Mr. BROWNING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mrs. NORTON. Mr. Chairman, the importance of this bill is obvious. Every time the Commissioners of the District of Columbia find it necessary to close a street permission must be granted by the Congress. Very often this happens when Congress is not in session and delays important work in the District.

The bill, as drawn, safeguards the property owners as described on page 2 of the bill.

The bill also has the unanimous support of the Committee on the District of Columbia and has the approval of all the public officials of the District; in fact, we found no opposition to the bill.

This question has been before the House on various occasions, and I sincerely hope it may be able to pass the bill to-day. We have very little time in this short session, and this is a matter of great importance to the safe conduct of the business of the District.

I trust there will be no objection to the bill.

I reserve the balance of my time, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I ask recognition.

The CHAIRMAN. The gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I shall use only a bare fraction of the time accorded me to present some views in opposition to the bill under consideration.

The bill, for the first time in the history of our Government, seeks to take away the right of the Congress, as a legislative branch, to determine or pass upon the question of the feasibility of closing streets and alleys in the District of Columbia.

It is acknowledged that under the terms of this bill we are transferring to the Commissioners of the District absolute power to determine whether any alleys or any streets in the District should be closed. If it is the wish of the Congress to surrender absolutely the determination of the entire problem, to close streets throughout the District, for instance, on the Mall, down along the waterfront—for them to determine whether those streets should on their own determination be closed, then I will have to yield.

I think that before Congress should surrender to the commissioners that absolute power, we should hesitate a moment and consider what effect may result therefrom.

I know of no instance where there has been a meritorious proposition brought before Congress that Congress has not acted upon the matter and approved of the recommendations of the commissioners. But I submit, gentlemen, that we are delegating to the commissioners a considerable power when we allow them to say how and when an avenue or street shall be changed.

The real persons back of the proposal are the designers and planners of the District. They wish in the outlying districts to have carte blanche in recommending streets as they have been laid out on the plats and maps, adding new avenues, closing alleys, and the like.

In the last Congress the able assistant of the Chief of Public Buildings and Grounds did me the honor to call at my office and ask my views on this bill.

If I had not recalled a notable instance in my own city where a large property owner, owning both sides of the alley in a down-town district, wanted to have the alley closed, which met with the opposition of the chief of the fire department because it was essential for fire protection—if I had not had that actual case called to my attention I might not be so strongly protesting against this bill.

Under this bill, if the adjacent property owners agree, there is no contest and the alley is closed; there is no appeal to the courts to determine whether there is any political reason why that alley should be closed or why the street should be closed—we surrender the legislative determination absolutely to the commissioners when we pass this bill.

I know the temper of the House, that it would like to get rid of small matters and be relieved of the burden of these questions; but I question whether as far as the planning of